

THE AMBASSADOR

Newfoundland & Labrador

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Neptune Leatherworks products are cut and stitched by hand.

Bruno Reichel has been working in the leather trade for most of his life, born into a family of tanners and glovecutters that goes back three generations to Europe.

His father emigrated to Newfoundland in 1955 to work for Atlantic Gloves in Carbonear, a

company that thrived for several years until quality gave way to quantity and cheaper imports underpriced the gloves out of the marketplace.

After spending many years making leather, Bruno learned the art of glove cutting. Using techniques he learned from the German masters, he is now cutting gloves of excellent quality and craftsmanship in the community that was a home to this industry a generation ago.

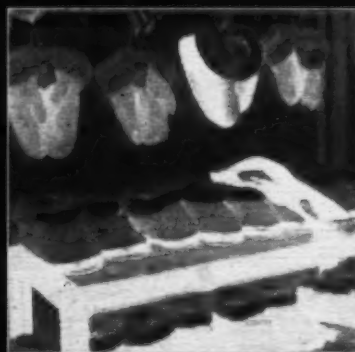
Bruno and Annette Reichel are the owners of Neptune Leatherworks, a family leatherworks studio that produces table-cut gloves, hand-stitched in the homes of

Newfoundland and Labrador crafts people. The company employs seven, plus ten other home workers, and is looking to place their products in the upscale shops of the busy US marketplace.

Bruno and Annette are not alone. The craft and apparel industry is an important contributor to the small-scale manufacturing sector in

Newfoundland and Labrador, employing more than 2000 people. The industry has tripled in size in the last decade - it is now valued at \$38 million annually - and has the potential to double in the next 5 years.

Recently, a new craft industry development strategy and funding of \$1 million over two years was announced for the Craft Industry Development Program (CIDP). The strategy



The Reichels are expanding their product offering to include more styles of gloves and slippers.

focuses on accelerating growth and diversification in the industry.

The CIDP is a partnership between the Craft Council of Newfoundland and Labrador, the Atlantic Canada Opportunities Agency, and the Department of Industry, Trade and Rural Development and will provide strategic support to the craft sector.

Anne Manuel, of the Craft Council of Newfoundland and Labrador, said the initiatives are welcomed by an industry that is poised to grow. "We are pleased that governments recognize the value of the craft industry. What we are building here provides opportunities for a wide range of people, some of whom have spent their lives creating and preserving the essential touchstones of this province's culture. In supporting that activity, we create jobs and income, while protecting something we all value."



DID YOU KNOW?

1 The province's only French newspaper, *Le Gaboteur*, has published a French language tourism guide for Newfoundland and Labrador. The guide is available through provincial Visitor Information Centres and by calling the Department of Tourism, Culture and Recreation's information line at 1-800-563-NFLD.

2 The 400-million barrel Terra Nova oil field is now in production. Petro-Canada has announced that first oil from the offshore field is onboard the floating production storage and offloading (FPSO) vessel located approximately 350 km southeast of St. John's.

3 New motor vehicle sales, a common indicator of overall economic activity, rose 11.1 per cent in December over the same period in 2000. Retail sales figures for the same period showed an increase of 10.9 per cent.

4 Festival of Flags Inc., of Argentina, and the Central Armed Forces Museum of the Russian Federation have signed a memorandum of cooperation and understanding. Festival of Flags Inc. will have access to Central Armed Forces Museum's exhibits, artifacts, historical research and documentation concerning Russia's participation in World War II and its role as an ally. The Argentina group also made a similar arrangement with Museum Berlin-Karlshorst (German-Russian Museum) in the former East Berlin. Festival of Flags Inc. is planning to construct a 10,000 square foot Museum of the Atlantic Allies and international peace centre at Argentina.

5 Jane Sasonow-White of Jas SILKS, a Norris Arm based craft business, has won the 2002 Atlantic Canada Craft Award for Excellence in the Product Design category. The Jas SILKS product line includes one-of-a-kind silk banners and silk-screened kitchen products.

www.jassilks.com

Reshaping product in a changing business climate



Today CanMar offers a full range of boat building services, from custom boat design, engineering and building.



focus on a boat that is designed for extended passages with the capability to weather the

When your customers have spent the past decade restructuring, re-evaluating and adapting to a constantly changing industry, you may have to diversify just to keep your head above water. Such is the case for All 4 One Fibre Products, one of four companies that make up CanMar International Group.

Owner Robert Starkes began building fiberglass versions of the traditional Newfoundland "trap skiff" fishing boat in 1988, but the decline in fishing activity in the 1990s saw Starkes and his company switch focus – from building new boats to refurbishing old ones.

With the Newfoundland and Labrador fishery growing in value, if not in size, Starkes has been busy re-defining the strengths of CanMar International and All 4 One Fibre.

Starkes' latest designs reflect the nature of today's Newfoundland and Labrador fishery – multi-purpose boats for a diversifying industry. Their design modifications

that incorporate wood into the typical fiberglass hull construction is unique for the year-round North Atlantic fishery. Starkes says his boats are particularly suited for work in icy conditions.

Today CanMar offers a full range of boat building services, from custom boat design, engineering and building, to winterizing, storing and refurbishing, along with their newest product offering – the trawler yacht – the company's first foray into the recreational boating business.

The term "trawler yacht" used to refer to converted fishing vessels that were refurbished and outfitted for recreational use. All 4 One is building them from scratch, modifying the designs of their popular fishing boats to produce a high-end but economical "passagemaker" yacht.

"We do not intend to produce a typical yacht. Instead, the intention is to build on our strengths and

storms most likely to be encountered during an ocean voyage. The experience of producing boats that routinely operate in one of the harshest marine environments on earth, the North Atlantic, not only demonstrates the ability to successfully construct a boat able to safely operate offshore, but also gives this company a proven track record," said Starkes.

While still researching and determining the most efficient way to enter the international pleasure boat business, CanMar and All 4 One Fibre continues to build fishing vessels with 100 staff during peak periods at facilities in St. John's, LaScie, and Triton.

"Our expertise is in fishing boats but we are kind of restricted in building for use outside Canada with international tariffs and regulations. The international business for us will come from the pleasure boat market," Starkes said.

www.canmar.nf.ca

BR&E pilot program provides business insights

Job growth and making local businesses more competitive by addressing their needs and creating a positive business environment is the focus of an initiative called Business Retention and Expansion (BR&E).

The Department of Industry, Trade and Rural Development, Human Resources Development Canada and the Atlantic Canada Opportunities Agency have recently completed a BR&E pilot project.

Visits to businesses by members of the BR&E team are at the heart of the initiative. Identifying the concerns of business at the community and industry level, and working through a formalized volunteer-driven process, is the basis of about 75

successful BR&E programs throughout North America. Newfoundland and Labrador's pilot project in BR&E has yielded some interesting results.

The pilot program compared and contrasted a geographically based approach with an industry-specific approach. In the Exploits Valley region, 91 businesses across all sectors were interviewed, as were 67 technology firms as part of a Newfoundland and Labrador Alliance of Technical Industries (NATI) contribution to the study.

More information as well as an overview of the findings of the pilot project are available on the Exploits Valley Economic Development Corporation and NATI websites.

www.exploitsvalley.nf.ca/ • www.nati.net • www.brei.org

The Ambassador



ICT to open new customer contact centre

ICT Group Inc., of Langhorne, Pennsylvania, a provider of customer relationship management (CRM) solutions, plans to open another major customer contact centre in Newfoundland and Labrador this year.

The new call centre is expected to be operational in St. John's by early April and will create some 1000 new jobs over the next 12 months.

The St. John's location will be the third ICT-run contact centre in Newfoundland and Labrador. The company already operates facilities in Corner Brook and Carbonear. At a news conference to announce the St. John's operation, Premier Roger Grimes noted that the newest ICT call centre "shows that we have an attractive overall business climate and that international companies such as ICT have confidence in our workforce and our province."

"We targeted emerging new knowledge-based industries in our Jobs and Growth agenda, including the customer contact or 'call centre' industry, as a means of diversifying our economy and helping create new job opportunities throughout the province. Our plan is working and yielding real results through the

attraction, expansion and success of companies such as ICT Group in our province," Grimes said.

NETWORK Newfoundland and Labrador, a public/private partnership between the Government of Newfoundland and Labrador and NewTel - an Aliant company - worked with ICT Group to bring this new centre to St. John's.

Established in 1995 to attract customer contact centre operations to the province, NETWORK Newfoundland and Labrador has attracted nine centres to the province to date, creating more than 3,500 new jobs. Direct annual wages and salaries associated with these centres is estimated to be in the order of \$68 million.

ICT Group employs more than 9,000 people worldwide in more than 40 customer contact centres throughout the U.S., Canada, Europe and Australia, supporting clients in the financial, insurance, telecommunications, healthcare, information technology, media and energy services industries. Clients include Sprint Corp., Pfizer Inc. and AOL Canada. In addition to the three centres in Newfoundland and Labrador, the company manages six other CRM sales and services operations in Canada.

www.ictgroup.com

AMBASSADOR UPDATE

Recent reports in the national media, including *The Globe and Mail*, the *National Post* and *Canadian Business*, have commented on the evolving Fishery Products International Clearwater Fine Foods situation and have questioned whether or not Newfoundland and Labrador is open for business.

The key purpose of the Ambassador program is to counter the erroneous stereotypes that in the past have buffeted the economic development potential of Newfoundland and Labrador. Ambassadors are champions of business and of the province's efforts to attract new investment and encourage local business development. Our successes in these areas are evident and reinforced by the company profiles and business success stories you read in this newsletter.

Established North American companies like Convergys and ICT Group are proving that Newfoundland and Labrador is the right place to do business.

The Government of Newfoundland and Labrador has adopted an "open for business" economic policy and has taken many progressive measures to create and maintain a highly attractive environment for new investment and business growth.

Corporate and business taxes have been reduced significantly in our province and are now among the most competitive in the country. The EDGE program provides added tax incentives for new investments made by qualifying businesses. In fact, the EDGE program won an international business award in 2000 for its innovation and the results achieved from it. We recently enhanced the EDGE program to make Newfoundland and Labrador even more attractive to companies interested in expanding or making new business investments in our province.

In a recently released study by KPMG, an independent and internationally recognized business management consulting firm, St. John's was ranked among the top-tiered cities in all of Canada and among nine different countries for doing business.

Recent economic and business indicators confirm this fact. Newfoundland and Labrador has led or has been among the leading provinces in Canada in economic growth and new employment creation for the past four years. In 2001, employment levels reached a record 211,300, a three per cent increase over the previous year.

Capital investment flowing into Newfoundland and Labrador has also been trending upward - investment in 1999 was up by over 20% - five times the national average - and has been sustained since then. Exports have almost tripled since 1992, again propelled by private sector growth, with manufacturing shipments having reached historic highs in recent years. In addition, Newfoundland and Labrador is on target to produce over one-third of Canada's light crude oil by 2005.

Premier Roger Grimes recently addressed the controversy surrounding this particular issue and outlined a number of initiatives undertaken by the province to ensure the right environment exists to support business growth and investment. The full text of the Premier's comments is available at:

www.gov.nl.ca/releases/2002/exec/0221n02.htm

And they said it couldn't be done...

A Newfoundland and Labrador company is about to sell vodka to Russia.

Newfoundland and Labrador's first EDGE company, St. John's based Canadian ICEBERG Vodka Corp. has signed a memorandum of understanding (MOU) with a Russian company in anticipation of a distribution agreement for its unique vodka product in Russia.

The MOU with Niagara Foods Ltd., could lead to a three-year distribution contract, valued at



\$7 million, and create 10 full-time jobs in the province.

A signing ceremony took place in Moscow on February 15th during the Team Canada trade mission to Russia.

Gary Pollack, President of Canadian ICEBERG Vodka Corp., said a three-year

contract would result in the export of 75 containers of Canadian ICEBERG Vodka to Russia over three years, with each container holding about 15,000 bottles.

TRADE SHOWS, TRADE MISSIONS, & EVENTS 2002

EVENT	LOCATION	DATE	CONTACT	TELEPHONE
April				
Provincial Wholesale Craft Trade Show	St. John's, NF	April 8-9	Marge Slaney	729-7030
New England Trade Mission	Boston, MA	April 15-19	Barry Snow	729-3356
May				
International Development Days	Fredericton, NB	May 1-3	Dorann Coombs	729-5924
IDRC/CoreNet	Salt Lake City, UT	May 4-8	Maria Yablou	729-4936
Enviro Expo	Boston, MA	May 7-9	Brian Wade	729-2994
Offshore Technology Conference	Houston, TX	May 6-9	Clyde Woodward	729-5681
Export Awards	St. John's, NF	TBA	Jennifer Coady	729-5632
Team Canada Atlantic	New York City, NY	May 21-23	Jonathan Brockway	729-5680
June				
Bio 2002	Toronto, ON	June 9-12	Susan Cave	729-5936
Global Petroleum Show 2002	Calgary, AB	June 11-13	Brian Wade	729-5681
Offshore Newfoundland	St. John's, NF	June 19-20	Clyde Woodward	729-5681
July				
Farnborough International 2002	Farnborough, England	July 22-28	Sharon Beattie	729-3050
August				
CGTA Fall Gift Show	Toronto, ON	August 14-15	Marge Slaney	729-7030
By Hand Show	Toronto, ON	TBA	Marge Slaney	729-7030
Offshore Northern Seas	Stavanger, Norway	August 27-29	Clyde Woodward	729-5681
September				
Nova Scotia International Air Show & Exhibition 2002	Shearwater, NS	Sept. 5-8	Eugene Trickett	729-3050
NBAA (National Business Aviation Association) Annual Meeting & Convention	Orlando, FL	Sept. 10-12	Sharon Beattie	729-3050
AIAC (Aerospace Industry Association of Canada) Annual General Meeting	Ottawa, ON	Sept. 22-23	Eugene Trickett	729-2367
October				
Geomatics	St. John's, NF	TBA	Darrell O'Neill	729-0680
November				
Team Canada Atlantic	New York City, NY	TBA	Jonathan Brockway	729-5680
IDRC/CoreNet	San Diego, CA	Nov. 16-20	Maria Yablou	729-4936
December				
International Workboat Show	New Orleans, LA	Dec. 4-6	Darrell O'Neill Terry Courish	729-0680



HELP SPREAD THE MESSAGE!

Thank you for reading this edition of the Ambassador newsletter. We are always looking for ways to reach as many people as possible with the good news about business in Newfoundland and Labrador. If this copy of the

Ambassador was mailed to you, pass it along, or request extra copies so you can help spread the news. If you're reading someone else's copy of the newsletter, contact us and we will put you on our mailing list. Our contact information is below.

Newfoundland & Labrador * Canada
Department of Industry, Trade and Rural Development

This newsletter is the flagship of the Ambassador Newfoundland and Labrador Program (ANLP). ANLP is funded through the federal/provincial Canada Newfoundland Comprehensive Economic Development Agreement. ANLP is managed and delivered by the Department of Industry, Trade and Rural Development, Honourable Beaton Tulk, Minister.

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MESSAGE FROM THE MINISTER

As Minister of Industry, Trade and Rural Development, I share with you the responsibility of promoting Newfoundland and Labrador to the world. The Ambassador newsletter is but one vehicle we use to promote our talented individuals and businesses, products and services abroad.

The recent announcement by ICT Group of Pennsylvania to open their third customer contact centre in this province is a clear indication that our investment attraction strategies are working. Our efforts in the development of export opportunities for Newfoundland and Labrador companies are also bearing fruit.

The Department of Industry, Trade and Rural Development is working to ensure that businesses in this province continue to expand on the successes they have achieved in recent years.

And the hard work we have undertaken in the past decade to rebuild our economy is yielding real results. Our provincial GDP growth figures have led the nation since 1997, and our exports are now valued at more than \$8 billion - the highest in our history.

We finished 2001 with record high employment numbers - numbers that are boosting consumer confidence. These are encouraging signs for the future. Indeed, most of the major financial institutions in this country predict that Newfoundland and Labrador will post the strongest overall GDP growth among the Atlantic provinces through to 2005.

These accomplishments are certainly encouraging, and in no small part due to the efforts of Ambassadors like you who take the time to promote the good things happening in this province. I congratulate you on making our success part of your success.

Beaton Tulk
Beaton Tulk,
Minister of Industry, Trade
and Rural Development